

ELECTRONIC TRANSACTIONS SET RECORDS IN SUCCESSFUL IRS TAX SEASON

WASHINGTON -- The just-concluded tax filing season saw record numbers of electronic transactions -- returns, refunds, payments and contacts -- with the Internal Revenue Service.

"When you add up all the numbers, the result is clear -- we had a very successful filing season," said Internal Revenue Commissioner Charles O. Rossotti. "People are increasingly eager to use computers to prepare and file their taxes."

The IRS continued to see strong growth in e-filing, reaching record levels. The combination of computer and telephone filings was up 20.4 percent, to 34.9 million. This included 29.8 million computer-filed returns, with the number of taxpayers preparing and e-filing their own returns more than doubling, to 4.9 million.

This increased e-filing has a positive impact on IRS processing centers, where employees can more quickly handle the remaining paper returns. As of April 21, the IRS had processed 83.1 million returns -- 4 percent more than last year.

Nearly 7 million e-filing taxpayers took advantage of digital signature options to eliminate the need to send any paperwork to the IRS. More than 5.4 million returns were "signed" with Personal Identification Numbers chosen by clients of paid preparers who participated in an IRS pilot program -- 35 percent of the e-filed returns submitted by these preparers. Another 1.4 million taxpayers who did their own returns used E-file Customer Numbers the IRS had sent them. This was about 28 percent of the e-filed returns done by taxpayers themselves.

Not only are more people filing without paper, more are also getting their refunds or paying taxes in a paperless way. More than 27 million people had their tax refunds deposited directly into their bank accounts, a 25 percent increase over last year. More than 230,000 authorized the Treasury to debit their bank accounts for \$373 million of taxes. Another 186,000 charged more than \$536 million of taxes on credit cards. In each case, the number of electronic payments more than tripled from last year.

Taxpayers have made the IRS Web site at www.irs.gov one of the most frequently visited locations on the Internet. Through April 17, the site had 968 million hits this year, a 26 percent increase over last filing season. More than 150 million hits came in the final week -- the first week ever with more than 100 million hits.

2000 FILING SEASON STATISTICS

Cumulative through the week ending 4/23/99 and 4/21/00

	<u>1999</u>	<u>2000</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	111,507,000	115,068,000	3.2
Total Processed	79,929,000	83,109,000	4.0
E-filing Receipts:			
TOTAL	28,993,000	34,910,000	20.4
TeleFile (phone)	5,647,000	5,142,000	- 8.9
Computer	23,346,000	29,768,000	27.5
Tax Professionals	20,940,000	24,857,000	18.7
Self-prepared	2,406,000	4,911,000	104.1
Refunds Certified by the Martinsburg Computing Center:			
Number	70,998,000	73,019,000	2.9
Amount of principal	\$109.474 billion	\$118.580 billion	8.3
Average refund	\$1542	\$1624	5.3
Direct Deposit Refunds:			
Number	21,742,000	27,238,000	25.3
Amount	\$44.212 billion	\$56.752 billion	28.4